



Interpretations of Selected Sales Tax Exemptions

Exemption D - Sales Tax Cap of \$1,200: This means that for any bill for sales or services that exceed \$1,200 shall be exempt from sales tax. For example, if you invoice for \$2,000.00 then \$800.00 of that invoice would be exempt from sales tax.

Exemption K – Sales of Goods for Resale: Businesses with a valid Petersburg Borough issued Resale certificate may purchase goods for resale if the material is the type of goods they are in the business of selling. Merchants must apply for a resale certificate and meet the requirements.

Exemption L – Goods Sold Outside the Borough: Sales of goods that are being shipped via common carrier such as USPS, Alaska Air, or Alaska Marine Lines, to a location outside of the Petersburg Borough may be exempt from sales tax. Merchants must document and track these exemptions.

Exemption M – Rental Charges: Rentals such as apartments, mobile homes, and commercial structures whose purpose is for “long-term occupancy” are exempt from sales tax. “Long-term occupancy” means month to month or longer. This does not apply towards equipment rentals.

Exemption W – Non-Profit Organizations: Any sales or services rendered to a qualifying non-profit are exempt from sales tax. This does not apply to alcoholic beverages or tobacco products. Qualifying non-profit organizations must apply with the Petersburg Borough and will be issued a Non-Profit card to show at the time of purchase. Qualifying non-profits must qualify for a Section 501c (3) or 501c (4) nonprofit status with the IRS.

Exemption 4.28.130 – Senior Citizens: Any qualifying senior citizen who has obtained a Borough issued exemption card may be exempt from paying sales tax. In order to be eligible for this exemption, the senior must be 65 years or older and has their permanent place of abode within the Petersburg Borough. This means that they have resided here for at least one year immediately prior to applying and intends to live here indefinitely. They must meet the same requirements as qualifying for the State of Alaska PFD which is a minimum of 185 days present in Petersburg in the past year. The Finance Department will be checking the PFD website to verify seniors’ eligibility. Senior exemption cards must be presented at the time of purchases. Businesses are required to keep documentation of these exemptions. The senior exemption is not for any purchases or services meant for trade or business.

Alaska Constitution - The State of Alaska and Political Subdivisions such as cities, boroughs, school districts, the Legislative Branch, the Alaska Court System, etc. Petersburg Borough policy requires that only direct sales paid by government check, or government credit card qualify. Any individual, who makes a purchase and intends to be reimbursed by a government entity, does not qualify.

The United States or its unincorporated agencies and instrumentalities. Examples include: the Postal Service, branches of the armed services, military exchanges, federal courts, and agencies such as the U.S. Forest Service and the Department of Housing and Urban Development.